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THE ENVIRONMENT FUND AND ADMINISTRATIVE
AND OTHER BUDGETARY MATTERS

Prevention of waste, fraud and mismanagement
Report by the Executive Director

Summary

The present report is prepared in accordance with Governing Council decision 18/46 of 25 May 1995, by which the Council, inter alia, requested the Executive Director, in consultation with the Office of Internal Oversight Services of the United Nations in New York, to formulate and enact a specific plan of action for the United Nations Environment Programme (UNEP) concerning the need to combat waste, fraud and mismanagement, and to report to the Governing Council at its nineteenth regular session.

Suggested action by the Governing Council

The Governing Council may wish to:

1. Take note of the present report of the Executive Director on the need to combat waste, fraud and mismanagement in relation to UNEP;

2. Agree, that as part of the United Nations, UNEP is bound by instructions from the United Nations Headquarters, and it would therefore be wasteful duplication to formulate and enact a specific plan of action;

3. Encourage the Executive Director to continue to maintain close contact with the Office of Internal Oversight Services in the United Nations Headquarters;

4. Urge the Executive Director to further pursue a comprehensive management reform programme, with particular reference to those improvements aimed at eliminating waste, fraud and mismanagement.

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I. UNEP'S PARTICIPATION WITHIN UNITED NATIONS INITIATIVES TO COMBAT WASTE, FRAUD AND MISMANAGEMENT

1. As part of the United Nations, UNEP is bound by the various regulations, rules and instructions promulgated by the United Nations Secretariat to combat waste, fraud and mismanagement. By maintaining close contact with the Office of Internal Oversight Services, UNEP ensures that it gives effect to all the measures, which are devised for the United Nations at large, to combat waste, fraud and mismanagement.

2. Pursuant to General Assembly resolution 48/218 B of 29 July 1994, the Secretary-General has established a reporting facility within the Office of Internal Oversight Services to provide for direct confidential access by staff members and other persons engaged in activities under the authority of the organization who wish to report the possible misuse of funds, waste or abuse of United Nations facilities or privileges, or who wish to make proposals for the improvement of programme delivery. United Nations administrative instruction ST/AI/397 of 7 September 1994, giving effect to the arrangements established by the Secretary-General, was distributed to all members of the staff in UNEP on 31 October 1994, under cover of information circular IC/Nairobi/1994/8373. Copies of these documents are available in English on request.

3. Similarly, the United Nations information circular ST/IC/96/29 of 25 April 1996, entitled "Terms of reference for investigations by the Office of Internal Oversight Services: 'mismanagement, misconduct, waste of resources and abuse of authority'", containing, among other things, definitions of misconduct and unsatisfactory performance – as required by Governing Council decision 18/46 – was distributed to all members of the staff in UNEP on 25 June and 3 July 1996. Copies of these documents are likewise available in English on request.

4. Under the circumstances described, and particularly given the instructions from United Nations Headquarters, it would have been wasteful duplication to have formulated and enacted a specific plan of action for UNEP, or to have established definitions of categories of misconduct specific to UNEP, since these already exist for the United Nations as a whole.

5. In the particular instance of fraud, there have been only two cases reported in UNEP over the past 15 years. Nor are there any indications that UNEP suffers disproportionately to the rest of the United Nations from the incidence of waste and mismanagement.

II. ADDITIONAL EFFORTS BY UNEP TO COUNTER POTENTIAL WASTE, FRAUD AND MISMANAGEMENT

6. UNEP remains vigilant. As such, in order to try and prevent any occurrences of fraud, waste and mismanagement, UNEP is revising its personnel management guidelines in order to highlight the risks of such occurrences. Topics already covered include:

(a) Recruitment (to headquarters, regional offices and outposted offices);

(b) The presentation of cases to the Appointment and Promotion Board and the Appointment and Promotion Panel;

(c) Application for the granting of a special post allowance;

(d) Administration of the Junior Professional Officer (JPO) programme;

(e) Administration of the internship programme;

(f) Application for and the granting of home leave;

(g) Application for and the granting of rental subsidy; and

(h) The inclusion of training to raise awareness on issues of waste, fraud and mismanagement in UNEP's induction procedures for new staff.

7. UNEP is implementing a comprehensive management reform programme tailored to its own needs. These have already produced significant programmatic, organizational and structural improvements, aimed at further enhancing the efficiency and effectiveness of UNEP's programme-delivery capability. In the September 1996 Progress Report of the Efficiency Board to the Secretary-General, titled UN 21, better service, better value, better management, UNEP was given special mention for its 1996-1997 work programme. The work programme was complimented for its organization and ease of comprehension and the way in which it invites comments and questions about programme performance and focus. The Efficiency Board also noted the improvements made to the management-reporting system so that reports are more clearly focused on performance. Other examples of programmatic, organizational and structural improvements include:

(a) The consolidation of subprogrammes from 12 to 5;

(b) The enhanced coordination, by the Environmental Assessment Division, of all assessment activities and specialized databases within the meta-database;

(c) The changes to the organizational structure of UNEP to ensure effective implementation of the integrated 1996-1997 work programme and to achieve better efficiency, which has thus far resulted in a 10 per cent reduction in programme personnel;

(d) The establishment by UNEP, with the Department of Humanitarian Affairs (DHA), of an Environmental Unit in the Relief Coordination Branch of DHA in Geneva to coordinate the response of environmental emergencies;

(e) The creation of a common administration, the United Nations Office at Nairobi (UNON), which has led to a 10 per cent reduction in administrative personnel and other costs and, at the same time, improved the efficiency of administrative functions performed and the quality of services delivered.

8. In addition to these self-generated administrative and management improvements, UNEP is, of course, also subject to regular auditing by the Board of Auditors to the General Assembly, in accordance with General Assembly resolution 74 (I) of 7 December 1946 and article XIV of the Financial Rules of UNEP.

9. As required by Governing Council decision 18/46, the Report of the Board of Auditors to the General Assembly on the accounts of the United Nations Environment Programme for the biennium ended 31 December 1995 is being circulated to the Governing Council as information document UNEP/GC.19/INF.1. In addition to its audit of UNEP's accounts and financial transactions, the Board carried out reviews of the efficiency of budgeting procedures, the internal financial controls, programme planning, monitoring and evaluation and, in general, the administration and management of UNEP, including that of the procurement of goods and services. The results of the Board's reviews of these procedures are contained in the above-mentioned document. Additionally, the document contains a status report of the implementation of the Board of Auditors' recommendations.

10. Apart from the "external auditors", UNEP is also subject to an "internal audit" administered by Office of Internal Oversight Services (OIOS) at United Nations Headquarters. The internal auditors systematically scrutinize UNEP functions; make recommendations, as appropriate; and monitor UNEP's implementation of the recommendations. UNEP reports to OIOS on a quarterly basis on the implementation of their recommendations. This is another way in which there is constant surveillance of any potential waste, fraud and mismanagement.